



## Thank You for 8 Great Years... Parting Thoughts from Sec. Lori H. Flanery



It's hard to believe that Governor Beshear's administration is coming to an end.

It has been an incredible journey for the last eight years and I am so humbled to have had the opportunity to lead the Finance and Administration Cabinet and proud of the many accomplishments we've made together.

Our work touches all aspects of state government and citizens throughout the Commonwealth.

The progress we made cut a wide swath from green initiatives to IT consolidation...from Recovery Kentucky to servicing more student loans...from tax amnesty to smart government...from financing for the Louisville bridges project to KentuckyWired...from Eastern State Hospital to the new state office building...from selling airplanes to buying goods and services...yes I could go on and on.

I want to leave you with a heartfelt thank you for all your hard work, dedication to a job well done and to your innovative ideas to solve issues or to make our services better.

I am confident that going forward with Gov. Bevin's administration you will have many opportunities to not only continue your good work, but to embrace new ideas and take on new challenges.

To each of you, I hope the best for you personally and professionally. Hopefully our paths will cross again.

Sincerely,  
Lori H. Flanery

### **FAC Spotlight: Innovative Financing Bond Deal for KentuckyWired Wins Prestigious Award**

*Named The Bond Buyer's 2015 Deal of the Year*

When you're dead last in something the logical direction you need to go is up. And, that's the whole idea behind KentuckyWired bringing faster, higher capacity, affordable and reliable Internet service to every county in Kentucky. Currently the Commonwealth ranks last in broadband accessibility.

A project of this magnitude requires financing, and The Bond Buyer chose Kentucky's innovative use of tax-exempt financing as its 2015 Deal of the Year.

KentuckyWired beat out seven other semifinalists. Sec. Flanery and Ryan Barrow, executive director of the Office of Financial Management accepted the award at the gala ceremony in New York City on Dec. 3.

The award is in recognition of the \$232 million tax-exempt bond transaction for construction of the 3,200-plus mile KentuckyWired middle-mile project.

"I am tremendously excited about this award, as it puts us in great company across the country," said Gov. Steve Beshear. "This award is one more example of Kentucky's innovative and forward-thinking strategy to fund one of the largest and most significant infrastructure projects in our state's history. As the largest public-private partnership in the nation for public technology, KentuckyWired will bring broadband connectivity to every county in the Commonwealth."

"Nominees this year faced stiff competition from many eminently qualified deals," said Michael Scarchilli, editor in chief of The Bond Buyer. "We chose the finalists for innovation, the ability to pull



complex transactions together under challenging conditions, the ability to serve as a model for other financings and the public purpose for which a deal's proceeds were used."

KentuckyWired is the fiber optic infrastructure to bring high-speed Internet service across the state, which currently ranks at or near the bottom of the country in broadband speeds and availability. There will be access points in every county with nearly 1,100 government facilities connected to the network. Because the network is open access, local internet service providers can tap into the network to deliver last-mile service to homes and businesses.

"It has been a privilege for our team to work on the KentuckyWired project and I appreciate all the long hours and innovative thinking they brought to the table," said Secr. Flanery. "We have broken new ground, both literally and figuratively, with this public-private partnership with Macquarie Capital and their consortium partners."

Kentucky was in prestigious company and in strong competition for Deal of the Year. Other semifinalists that vied for the top award included:



- Midwest Region: Gary/Chicago International Airport Authority, for \$30 million in tax increment financing airport development revenue bonds for runway expansion to meet new safety requirements.
- Northeast Region: Pennsylvania Economic Development Finance Authority, for a \$721.5 million tax-exempt private activity bond issue to repair 4,000 bridges throughout the state.
- Southwest Region: North Texas Tollway Authority, for refinancing debt to improve its credit rating related to \$3.2 billion in bonds issued during the Great Recession.
- Far West Region: The Regents of the University of California, for structuring a \$2.85 billion bond deal to take advantage of low-interest rates to reduce overall debt costs.
- Small Issuer Financing: El Paso Housing Authority, for issuing \$59 million in bonds for a public-private partnership requiring the use of tax credits, private activity bonds and private equity to save aging public housing units from obsolescence.
- Non-Traditional Financing: State of Hawaii, for \$150 million Green Energy Market Stabilization Bonds for a project to harness the state's abundant sunshine to produce clean power.
- Healthcare Financing: The New York-Presbyterian Hospital, for restructuring its traditional financing to allow the hospital to move in different strategic directions including population health strategies.

"This project has the potential to propel Kentucky forward on so many levels," Gov. Beshear added. "From economic development to education to healthcare and emergency responders – this will be a game-changer. I believe people and businesses will start looking at Kentucky differently and as a location where they can collaborate and compete globally."

Deal of the Year Awards represent the full diversity of the communities and public purposes that are served by the municipal finance market, from the largest to the smallest deals. The awards were open to transactions that closed between Oct. 1, 2014 and Sept. 25, 2015. Kentucky's transaction closed on Sept. 3, 2015 and was well received in the marketplace.

Short videos of all award winners are available online at <http://www.bondbuyer.com/special-reports/the-bond-buyers-14th-annual-deal-of-the-year-awards-1088267-1.html>.



## STATE EMPLOYEE APPRECIATION DAYS

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## 2016 Holiday Schedule for State Government Employees

Martin Luther King, Jr.'s Birthday	Monday, Jan. 18, 2016
Good Friday	Friday, March 25, 2016
Memorial Day	Monday, May 30, 2016
Independence Day	Monday, July 4, 2016
Labor Day	Monday, Sept. 5, 2016
Presidential Election	Tuesday, Nov. 8, 2016
Veterans Day	Friday, Nov. 11, 2016
Thanksgiving	Thursday, Nov. 24, 2016 Friday, Nov. 25, 2016
Christmas	Friday, Dec. 23, 2016 Monday, Dec. 26, 2016
New Year's	Friday, Dec. 30, 2016 Monday, Jan. 2, 2017